

Council: 25 July 2012

Report of the Acting Municipal Manager

IDP PROCESS PLAN AND BUDGET TIME SCHEDULE

2013/14 REVIEWED INTEGRATED DEVELOPMENT PLAN (IDP) AND 2013/14 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) PROCESS PLAN AND TIME SCHEDULE

1. PURPOSE

1.1 Purpose

The purpose of this report is to table the time schedule outlining key deadlines for the first review of the 2012/13 – 2016/17 Integrated Development Plan (IDP) and compilation of the 2013/14 – 2015/16 Medium Term Revenue and Expenditure Framework (MTREF).

1.2 Background

It should be noted that this financial year (2012/13) is the first year of the current five-year IDP (2012/13 – 2016/17) and the proposed time schedule will therefore reflect on the process for the first review of the new five-year IDP, which was adopted by Council on 6 June 2012.

The time schedule and process plan outline the planning and budget preparation process to be undertaken, proposed institutional arrangements and timeframes attached to the different phases. The process plan will further illustrate the alignment of the IDP with the municipality's Budget (MTREF) and Performance Management System (PMS) processes.

1.3 Discussion

1.3.1 IDP and Budget Process

The review of the IDP and budget preparation process will be undertaken in accordance with relevant statutory provisions and national guidelines and the following phases.

Phase 1 (Preparation) entails the review of the previous IDP process, preparation and approval of the process plan and the setting up or confirmation of the required institutional arrangements.

Phase 2 (Analysis) will include a detailed situational analysis and review of the status quo and community needs. This analysis will further inform the projects phase of the envisaged IDP process.

Phase 3 (Strategies) will encapsulate the updating of national and provincial policy priorities and a review of the municipal strategic priorities, Key Performance Areas

(KPA), objectives, Key Performance Indicators (KPIs) and targets as per the approved five-year IDP.

Phase 4 (Projects) will focus on the identification of priority projects in line with the community needs and agreed strategic priorities. Projects will be aligned to the new Division of Revenue Act (DoRA) allocations and the Capital Investment Plan (CIP) will be reviewed and updated.

Phase 5 (Integration) will include the consolidation and integration of applicable sector plans, alignment of municipal and sector department programmes as well as deepening the alignment between the IDP and Budget.

Phase 6 (Approval) entails the tabling of the draft IDP and Budget, community consultations and public participation and the approval by Council of the final IDP and Budget.

The above-mentioned phases are depicted in the diagram below.



It should be noted that key elements of the municipality's Performance Management System (PMS) in respect of monitoring and evaluation will also be integrated with the IDP and Budget process.

1.3.2 Institutional arrangements

It is important that the suggested roles below are adhered to and that accountability is maintained during the process. An analysis and confirmation of the institutional arrangements should be undertaken to ensure that the above five phases are effectively executed. The table below is a possible arrangement and suggested roles and responsibilities as to who will be responsible for planning, development,

preparation, compilation and drafting of the Metsimaholo Local Municipality's (MLM) IDP and SDBIP.

Municipal Council	<p>The Council is the ultimate political decision-making body of the municipality and the Council has the responsibility to:</p> <ul style="list-style-type: none"> • consider and adopt the IDP Process Plan & time schedule for the preparation, tabling & approval of the annual budget; • consider and adopt the IDP and annual Budget; • ensure the municipal budget is coordinated with and based on the IDP; • adopt a Performance Management System (PMS) • Monitor progress, re. IDP implementation
The Executive Mayor	<p>The Executive Mayor of MLM has the ultimate responsibility for the preparation and implementation of the IDP, Budget & Performance Management. The Executive Mayor has to:</p> <ul style="list-style-type: none"> • be responsible for the overall oversight, development and monitoring of the process or delegate IDP & PMS responsibilities to the Municipal Manager; • ensure that the budget, IDP & budget related policies are mutually consistent & credible; • submit the revised IDP & the Budget to the municipal Council for adoption; • submit the proposed Performance Management System to the municipal council for adoption.
Mayoral Committee	<p>The role of the Mayoral Committee is to provide political and strategic guidance and direction to the IDP, Budget, Performance Management processes and IDP implementation. The Mayoral Committee is assisted by the Finance and IDP Portfolio Committee in this regard.</p>
Ward Councillors & Ward Committees	<p>Ward Councillors are the major link between the municipality and the residents. As such, their role is to:</p> <ul style="list-style-type: none"> • link the planning process to their constituencies and/or wards; • ensure communities understand the purpose and the key mechanisms of the IDP, Budget process, Performance Management and are motivated to actively participate; • facilitate public consultation and participation within their wards.
IDP Representative Forum	<p>The IDP Representative Forum serves as the interface for community participation during the IDP process and therefore participates in the annual review of the municipality's IDP. The IDP Representative Forum is chaired by the Executive Mayor (or his delegate) and consists of the following role players:</p> <ul style="list-style-type: none"> • Members of the Mayoral Committee • Ward Councillors • Ward Committee members • Community Development Workers • NGOs/CBOs • Business chambers • Sector departments (district, provincial and national) • Religious organisations • Municipal officials

Municipal Manager	The Municipal Manager has the responsibility to provide guidance and ensure that the administration actively participates and supports the development and review of the IDP and Budget and works towards its implementation.
Senior Management Meeting & the IDP Steering Committee	<p>The IDP Steering Committee is chaired by the Municipal Manager and comprises of the Directors and Managers who are also the technical experts in the various Clusters. The tasks of the Steering Committee are to:</p> <ul style="list-style-type: none"> • provide technical oversight and support to the IDP/ Budget review and its implementation; • consider and advise on IDP/ Budget content and process; • ensure inter-directorate co-operation, co-ordination, communication and strategic thinking to address priority issues • ensure sector and spatial co-ordination and alignment • ensure IDP & budget linkage • ensure Performance Management is linked to the IDP • ensure the organisation is oriented to implement the IDP • ensure time-frames set for the review are met. <p>It is proposed that the IDP Steering Committee meet at least once a month at the beginning of the Senior Management meeting for about a half an hour (as per the schedule).</p>
Directorates & Departments	<p>Directorates and Departments are responsible for sector planning and for the implementation of the IDP. The participation of all Departments is thus critical and they :</p> <ul style="list-style-type: none"> • provide technical / sector expertise and information, throughout the IDP Budget process; • ensure that the review process is participatory, integrated, strategic, implementation-oriented, budget linked and aligned with and satisfies sector planning requirements;
IDP Unit	<p>The IDP Unit reports to the MM and is required to manage and co-ordinate the IDP process, ensure budget integration, the roll out of Performance Management and monitor the implementation of the IDP, including:</p> <ul style="list-style-type: none"> • preparing the Process Plan for the development of the IDP; • undertaking the overall management and co-ordination of the planning and review process under consideration of time, resources and people • ensuring that the review process is participatory, strategic, implementation-oriented, integrated with the budget process, is horizontally and vertically aligned and satisfies sector planning requirements ; • linking the IDP to the SDBIP
Service Providers	<p>External Service Providers will be engaged, when necessary to:</p> <ul style="list-style-type: none"> • provide methodological/ technical guidance to the IDP process; • facilitate planning workshops; • undertake special studies; • ensure the IDP/ Budget/ PM is aligned with Provincial & National Department's strategy and budget.

1.3.3 Time schedule

The annual review of the IDP, budget preparation and performance management processes will be executed according to the time schedule below:

Activities	Timeframes	Responsibility
Review Provincial IDP assessment report	July-Aug. 2012	IDP Manager
Compile IDP process plan & Budget time schedule	July 2012	IDP Manager and CFO
Submit draft process plan and time schedule to Mayoral Committee for approval	19 July 2012	Municipal Manager
Submit final process plan and time schedule to Council meeting for adoption <i>(At least 10 months before the start of the budget year – Section 21(1)(b) of the MFMA)</i>	25 July 2012	Executive Mayor
Meeting: IDP Steering Committee (to discuss detailed process plan)	7 Aug. 2012	Municipal Manager Directors/Managers IDP Manager
Meeting: IDP Representative Forum (to discuss detailed process plan)	31 Aug. 2012	IDP Manager Executive Mayor Speaker
Workshop on budget procedures (two)	September 2012	CFO Councillors Directors
Review situational analysis (status quo), local priority issues and community needs	Sept.-Oct. 2012	IDP Manager Directors
Meeting: IDP Steering Committee (to consider report on the review of the status quo and community needs)	11 Oct. 2011	Municipal Manager Directors/Managers IDP Manager
Municipal Strategic Planning Session (to review 5-year strategic plan and First Quarter performance report)	11-12 Oct. 2012	Executive Mayor Municipal Manager
All directors submit 3 year capital budget to Finance	12 Oct. 2012	Directors
<i>Submit 2012/13 First Quarter Performance Report to Council (Section 52 of MFMA)</i>	31 Oct. 2012	Executive Mayor Municipal Manager
Discussion meetings per Directorate on Capital Budget	5-9 Nov. 2012	Chief Financial Officer Directors
Meeting: IDP Steering Committee (to review progress to date)	13 Nov. 2012	Municipal Manager Directors/Managers IDP Manager
Submit proposed Tariff increases to Finance	14 Nov. 2012	Directors
Submit 3 year personnel (staff) budget to Finance	23 Nov. 2012	Political Offices Municipal Manager Directors
Submit 3 year operating budget to Finance	30 Nov. 2012	Political Offices Municipal Manager Directors
Meeting: IDP Representative Forum (to review progress to date)	30 Nov. 2012	IDP Manager Executive Mayor
Finalisation of all sector plans and strategies	Dec. 2012 – Feb. 2013	Directors IDP Manager
<i>Submit 2012/13 Mid-year budget and performance assessment report to the Mayor - this report will also serve at the second quarter performance report (section 72 of MFMA)</i>	25 Jan. 2013	Municipal Manager

Activities	Timeframes	Responsibility
<i>Tabling of 2011/12 Annual Report in Council (Section 127(2) of the MFMA)</i>	30 Jan. 2013	Executive Mayor
<i>Table 2012/13 Mid-year budget and performance assessment report in Council (section 72 of MFMA)</i>	30 Jan. 2013	Executive Mayor
Discussions with Directors on Tariffs, Salary and Operating Budget	4-8 Feb. 2013	Political Offices Municipal Manager Directors
Meeting: IDP Steering Committee (to review progress to date)	7 Feb. 2013	Municipal Manager Directors/Managers IDP Manager
2 nd Municipal Strategic Planning Session	20-22 Feb. 2013	Municipal Manager
Portfolio Committee meetings	20-26 Feb 2013	Members of the Mayoral Committee
IDP Consultations: National and Provincial Sector Departments, District and Local Municipalities	Feb. 2013	IDP Manager Directors
Meeting: IDP Representative Forum (to review progress to date)	28 Feb. 2013	IDP Manager Executive Mayor
Submit feedback from Portfolio Committee meetings to Finance	5 March 2013	Directors
Budget meetings: Budget Steering Committee Management	14 March 2013	Executive Mayor Municipal Manager Directors
Informal Council meeting – Draft Reviewed 2013/14 IDP and Budget	20 March 2013	Office of the Speaker
Special Council for tabling of Draft 2013/14 IDP and MTREF <i>(At least 90 days before the start of the budget year – Section 16(2) of the MFMA)</i>	29 March 2013	Office of the Speaker
Council considers report of Oversight Committee on the 2011/12 Annual Report <i>(no later than 2 months after annual report was tabled – Section 129(1) of the MFMA)</i>	27 March 2013	Chairperson: Oversight Committee
2013/14 Draft Reviewed IDP and MTREF available to public for comments	5 April 2013	Chief Financial Officer
Submit Draft MTREF and IDP to: National and Provincial Treasuries Provincial CoGTA and FDDM	12 April 2013	Chief Financial Officer IDP Manager
Conduct public hearings and community consultations on Draft IDP and Budget	2 April – 8 May 2013	IDP Manager Speaker's Office Ward Councillors
<i>Submit 2012/13 Third Quarter Performance Report to Council (Section 52 of MFMA)</i>	30 April 2013	Executive Mayor Municipal Manager
Executive Mayor responds to submissions	10 May 2013	Executive Mayor Municipal Manager Chief Financial Officer
Finalise 2013/14 Reviewed IDP and MTREF	1-20 May 2013	Municipal Manager IDP Manager
Informal Council meeting: To consider IDP and Budget	22 May 2013	Office of the Speaker
Council meeting: To approve 2013/14 Reviewed IDP and MTREF <i>(at least 30 days before the start of the budget year)</i>	31 May 2013	Office of the Speaker
Submit 2013/14 Draft Service Delivery and Budget Implementation Plan (SDBIP) and Performance Agreements to the Executive Mayor <i>(14 days after approval of the budget)</i>	14 June 2013	Municipal Manager

Activities	Timeframes	Responsibility
Publish approved IDP and MTREF (10 working days after approval of budget)	14 June 2013	Municipal Manager
Executive Mayor approves 2013/14 SDBIP (28 days after approval of the budget)	28 June 2013	Executive Mayor
Submit approved 2013/14 Reviewed IDP and MTREF to National Treasury, Provincial Treasury and CoGTA	28 June 2013	Municipal Manager Chief Financial Officer
Publish approved SDBIP and signed Performance Agreements (10 working days after approval of SDBIP)	12 July 2013	Municipal Manager

2. BUSINESS PLAN

Not applicable

3. COMPLIANCE WITH STRATEGIC OBJECTIVES

Relevant Municipal KPA: Good Governance and Community Participation

4. DELEGATED AUTHORITY

Council

5. ANNEXURES

None

6. POLICY AND LEGAL REQUIREMENTS

The principal legislation in so far as the development of IDP is concerned is the Municipal Systems Act 32 of 2000. Section 25 of the Act mandates each municipal council to adopt a single, inclusive and strategic plan for the development of the municipality. As a strategic plan of the municipality, the IDP should therefore provide a clear road map for the municipality that would take it from the current situation to its desired state in five years. To this effect, the IDP must:

- Link, integrate and coordinate plans and take into account proposals for the development of the municipality.
- Align the resources and capacity of the municipality with the implementation for the plan.
- Form the policy framework and general basis on which annual budgets must be based.
- Be compatible with national and provincial development plans and planning requirements that are binding on the municipality in terms of legislation.

Taking into account the above provisions, a credible IDP should be clear on what goods and services the municipality will render to its community using the capacity and resources at its disposal. The plan should further be aligned to the national and provincial plans, integrate various plans within the municipality.

Section 21 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) states the following in regard to the budget preparation process:

“(1) The mayor of a municipality must –

- (a) co-ordinate the processes for preparing the annual budget and for reviewing the municipality’s integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible;*
- (b) at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for –*
 - (i) the preparation, tabling and approval of the annual budget;*
 - (ii) the annual review of –*
 - (aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and*
 - (bb) the budget-related policies;*
 - (iii) the tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and*
 - (iv) any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii).*

7. IMPLEMENTATION PLAN

The time schedule outlines under section 1.3.3 above serves as the implementation plan for the review of the IDP and preparation of the budget.

8. FINANCIAL IMPLICATIONS

Any expenditure incurred during the IDP review process will be paid from the budget vote of the Municipal Manager’s Office and any expenses incurred in respect of the budget preparation process be paid from the Finance budget vote.

9. STAFF IMPLICATIONS

None

10. RECOMMENDATIONS

That it be recommended to Council:

- 10.1 That cognisance is taken of the contents of the report.
- 10.2 That cognisance is taken that the process plan and time schedule is submitted to Council for approval in terms of section 21(1)(b) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).
- 10.3 That the IDP and Budget process plan and time schedule be approved by Council.

- 10.4 That the Executive Mayor and Municipal Manager ensure that the key activities and timelines as per the process plan are implemented accordingly.
- 10.5 That the approved process plan and time schedule be published within five (5) days after its approval by Council.